

Message Text

UNCLASSIFIED

PAGE 01 BRUSSE 15019 01 OF 02 021512Z
ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 H-02 INR-10 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-09 SP-02
SS-15 STR-07 TRSE-00 ACDA-12 PA-02 IO-14 FRB-01
LAB-04 SIL-01 NRC-07 OPIC-06 CEQ-01 SAS-02 XMB-04
/167 W

-----048263 021623Z /45

R 021703Z AUG 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 8192
INFO ALL EC CAPITALS
DOE WASHDC

UNCLAS SECTION 01 OF 02 BRUSSELS 15019

USEEC

PARIS ALSO FOR USOECD

E.O.11652: N/A
TAGS: ENRG, EAID, EEC
SUBJECT: EC COMMISSION PROPOSAL FOR ENERGY COOPERATION
WITH LDC'S

REF: A. BRUSSELS 10698, B. BRUSSELS 12392, C. BRUSSELS
13857, D. BRUSSELS 10818

1. SUMMARY. THE EC COMMISSION IN ITS FINAL MEETING ON
JULY 26 BEFORE THE SUMMER RECESS APPROVED A COMMUNICATION
TO THE COUNCIL PROPOSING THE FRAMEWORK FOR POSSIBLE COM-
MUNITY ACTION FOR GREATER ENERGY COOPERATION WITH DEVELOP-
ING COUNTRIES. THE AIM OF THE PROPOSAL, WHICH WAS SUB-
MITTED JOINTLY BY COMMISSIONER FOR DEVELOPMENT CHEYSSON
AND ENERGY COMMISSIONER BRUNNER, IS TO HELP NON-OIL PRO-
DUCING LDC'S TO ATTAIN A GREATER DEGREE OF SELF-SUFFICIEN-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 15019 01 OF 02 021512Z

CY IN MEETING THEIR ENERGY REQUIREMENTS WHILE FURTHERING
THEIR OVERALL ECONOMIC DEVELOPMENT. DEVELOPMENT OF RENEW-
ABLE SOURCES OF ENERGY IS TO BE EMPHASIZED, BUT TRADITION-
AL ENERGY SOURCES, INCLUDING NUCLEAR ENERGY, ARE ALSO TO
BE INCLUDED. AN INITIAL FUND OF 10 MILLION UNITS OF AC-
COUNT (\$12.5 MILLION) IS PROPOSED TO FINANCE SURVEYS OF
ENERGY NEEDS AND RESOURCES OF CERTAIN LDC'S. THIS PRO-

GRAM IS FIRST TO BE DISCUSSED WITH THE ACP COUNTRIES BUT IS ALSO OPEN TO OTHER LDC'S AND COULD BE DEVELOPED IN THE FRAMEWORK OF THE NORTH-SOUTH DIALOGUE AS WELL AS OF THE EURO-ARAB DIALOGUE. THE PROGRAM IS CONSIDERED THE LOGICAL DEVELOPMENT OF EFFORTS BY THE EC COMMUNITY AND OTHER INDUSTRIALIZED NATIONS TO LIMIT THE DEPENDENCE OF ALL STATES ON EXTERNAL SOURCES OF ENERGY, PARTICULARLY CRUDE OIL, AS DEMONSTRATED DURING THE JULY BREMEN AND BONN SUMMIT MEETINGS. END SUMMARY.

2. A COMMUNICATION FROM THE EC COMMISSION TO THE EC COUNCIL DATED JULY 31 (POUCHED EUR/RPE STOCKER AND OES/NET PROCHNIK) CONVEYS THE EC COMMISSION'S PROPOSALS FOR COMMUNITY COOPERATION WITH DEVELOPING COUNTRIES IN ENERGY FORMALLY APPROVED ON JULY 26. IN ITS INTRODUCTION, THE COMMUNICATION REFERS TO BRUNNER'S STATEMENT AT THE MAY 30 ENERGY COUNCIL ON THE NEED FOR SUCH COOPERATION (PARA 11, REF A) AND NOTES THE IMPORTANCE ATTACHED TO COOPERATION WITH DEVELOPING COUNTRIES IN THE ENERGY FIELD BY THE BONN AND BREMEN SUMMIT MEETINGS IN JULY. AFTER AN ANALYSIS OF GENERAL ENERGY TRENDS, THE COMMUNICATION POINTS OUT THAT IN ORDER TO AVOID A COMPETITIVE SCRAMBLE FOR PETROLEUM BETWEEN NON-OIL PRODUCING DEVELOPED AND DEVELOPING COUNTRIES, INDUSTRIALIZED COUNTRIES SHOULD ASSIST THE LDC'S IN REDUCING THEIR ENERGY IMPORT BURDEN. IN ADDITION TO FURTHERING ECONOMIC DEVELOPMENT OF THE LDC'S, THIS WOULD HELP CREATE BETTER LONG-TERM SUPPLY CONDITIONS ON THE WORLD

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 15019 01 OF 02 021512Z

ENERGY MARKET. WHILE RECOGNIZING THAT AN IMPORTANT PART OF INTERNATIONAL COOPERATION IN ENERGY RESOURCE DEVELOPMENT SHOULD BE CHANNLED THROUGH INTERNATIONAL FINANCIAL INSTITUTIONS (E.G., THE IBRD), THE COMMUNICATION NOTES THAT THE EC SHOULD ALSO UNDERTAKE ITS OWN "AUTONOMOUS EFFORT."

3. IN REGARD TO AREAS OF ENERGY COOPERATION, THE COMMUNICATION NOTES THAT THE COMMUNITY SHOULD ATTACH SPECIAL PRIORITY TO HELP LDC'S IN ESTABLISHING MEDIUM TERM SUPPLY AND DEMAND FORECASTS FOR ENERGY AND IN IDENTIFYING AND EVALUATING POTENTIAL ENERGY RESOURCES OF FOSSIL FUELS, URANIUM, NATURAL GAS, WIND AND SOLAR, GEOTHERMAL, HYDRO-ELECTRIC, AND IDLE LAND FOR BIOMASS CULTIVATION. THE EC SHOULD ALSO GIVE GREATER ATTENTION TO SCIENTIFIC AND TECHNICAL TRAINING IN THE LDC'S.

4. SPECIAL AREAS WHERE INDUSTRIALIZED COUNTRIES CAN HELP LDC'S MEET THEIR ENERGY REQUIREMENTS COULD INCLUDE: DEVELOPMENT OF CONVENTIONAL ENERGY SOURCES; MORE RATIONAL USE OF ENERGY; RESOLVING PROBLEMS OF TRANSPORTING ENERGY; THE APPLICATION OF NUCLEAR ENERGY "IN THE MOST ADVANCED DEVELOPING COUNTRIES;" AND THE PRACTICAL APPLICATION OF NEW

OR RENEWABLE ENERGY SOURCES (WHICH CAN PROBABLY PLAY A RELATIVELY MORE IMPORTANT ROLE IN THE LDC'S THAN IN THE DC'S). THE PAPER DEVOTES CONSIDERABLE ATTENTION TO DESCRIBING THESE VARIOUS ACTIVITIES, PARTICULARLY DEVELOPMENT OF SOLAR ENERGY AND RELATED ENERGY SOURCES.

5. REGARDING POSSIBLE FRAMEWORKS FOR COMMUNITY ACTION, THE COMMISSION SUGGESTS THAT ENERGY COOPERATION WITH THE LDC'S CAN BE, IN THE FIRST PLACE, CONDUCTED WITHIN THE NORTH-SOUTH DIALOGUE. THE EC HAS THE OPPORTUNITY TO MAKE CONSTRUCTIVE PROPOSALS IN VARIOUS UN FORA, INCLUDING THE UN COMMITTEE OF THE WHOLE, PREPARATION OF THE 33RD UNGA, THE 1980 SPECIAL UN SESSION ON DEVELOPMENT, AND THE 1981 ECOSOC

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BRUSSE 15019 02 OF 02 021519Z
ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 H-02 INR-10 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-09 SP-02
SS-15 STR-07 TRSE-00 ACDA-12 PA-02 IO-14 FRB-01
LAB-04 SIL-01 NRC-07 OPIC-06 CEQ-01 SAS-02 XMB-04
/167 W

-----048405 021623Z /45

R 021703Z AUG 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 8193
INFO ALL EC CAPITALS
DOE WASHDC

UNCLAS SECTION 02 OF 02 BRUSSELS 15019

USEEC

PARIS ALSO FOR USOECD

CONFERENCE ON NEW OR RENEWABLE ENERGY SOURCES. THE "MOST EFFECTIVE ACTION" WHICH THE EC COULD UNDERTAKE, HOWEVER, WOULD BE TO PROPOSE CONCRETE PROGRAMS OF ENERGY COOPERATION WITH LDC'S (PARTICULARLY THOSE WITH WHOM IT HAS DEVELOPMENT PROGRAMS), WHICH COULD HELP REACTIVATE INTERNATIONAL ENERGY COOPERATION "THROUGH COORDINATION OF EC VIEWS WITH THOSE OF OTHER INDUSTRIALIZED COUNTRIES" UNDERTAKING SIMILAR ACTIVITY. SECONDLY, AN EARLY COMMUNITY INITIATIVE COULD BE TAKEN IN THE FRAMEWORK OF EXISTING

SPECIAL RELATIONSHIPS BETWEEN THE EC AND CERTAIN LDC'S, PARTICULARLY IN CONJUNCTION WITH RENEWAL OF THE LOME CONVENTION. THIRDLY, POSSIBLE INTRODUCTION OF ENERGY COOPERATION IN THE EURO-ARAB DIALOGUE AND WITH THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC) SHOULD BE EXAMINED. THERE MAY ALSO BE SCOPE FOR TRIPARTITE COOPERATION INVOLVING THE EC, ARAB STATES, AND DEVELOPING COUNTRIES AS PARTNERS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 15019 02 OF 02 021519Z

COUNTRIES AS PARTNERS.

6. REGARDING FINANCIAL MEANS TO CARRY OUT EC ACTIVITY, THE COMMISSION'S COMMUNICATION NOTES THE DESIRABILITY OF FOSTERING FOREIGN INVESTMENT OF COMMUNITY ORIGIN IN LDC'S BY CONCLUDING APPROPRIATE GUARANTEE AGREEMENTS, PARTICULARLY IN DEVELOPMENT OF MINERAL RESOURCES. THE EC SHOULD ALSO SEEK TO MAKE MORE SYSTEMATIC USE OF AVAILABLE COMMUNITY AND MEMBER STATE FUNDS FOR ENERGY-RELATED ACTIVITIES. IN ORDER TO BE ABLE TO RESPOND TO POSSIBLE REQUESTS FROM LDC'S (NOTABLY ACP STATES) FOLLOWING THE BONN AND BREMEN SUMMIT DECLARATIONS THERE SHOULD BE SPECIFIC PROVISION IN THE COMMUNITY BUDGET FOR ENERGY ASSISTANCE FUNDS. THE COMMUNICATION SUGGESTS THE ALLOCATION OF 10 MILLION UNITS OF ACCOUNT (\$12.5 MILLION) TO GIVE THE COMMUNITY ITS OWN RESOURCE FOR "AN EARLY START IN CATALOGUING EXISTING AND POTENTIAL RESOURCES AND NECESSARY EXPLORATORY WORK."

7. THE COMMUNICATION SUGGESTS THAT AFTER ESTABLISHING AN INVENTORY OF ENERGY NEEDS, RESOURCES, CONSTRAINTS, AND ONGOING PROJECTS TO RESOLVE THESE CONSTRAINTS, THE COMMUNITY COULD DRAW UP FIVE-YEAR ENERGY COOPERATION PROGRAMS. THESE WOULD CONCERN ESSENTIALLY: EXECUTION OF PRIORITY PROJECTS; ESTABLISHMENT OF RESEARCH AND DEVELOPMENT PROGRAMS; PROVISIONS FOR INDUSTRIAL COOPERATION AND FURTHER RESOURCE PROSPECTING PROGRAMS AND TRAINING ACTIVITY.

8. THE COMMUNICATION ENDS BY NOTING THAT THE COMMISSION INTENDS TO PRESENT DETAILED PROPOSALS ON SPECIFIC ASPECTS OF ITS PROPOSALS "IN THE LIGHT OF DISCUSSIONS" TO TAKE PLACE IN THE EC COUNCIL AND THE EUROPEAN PARLIAMENT. THE COMMUNICATION ALSO INCLUDES AN ANNEX REGARDING CONTRIBUTIONS TO THE PROPOSED PROGRAM FROM THE EC JOINT RESEARCH CENTER.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 15019 02 OF 02 021519Z

CENTER.

9. IN A DISCUSSION ON AUGUST 1, ACTING DIRECTOR GENERAL

FOR ENERGY RENAUD EXPRESSED OPTIMISM THAT THE PROPOSAL IS SUFFICIENTLY GENERAL TO PERMIT APPROVAL BY THE MEMBER STATES AND IMPLEMENTATION OF SOME OF ITS RECOMMENDATIONS. HE NOTED THAT THERE WERE SOME INTERNAL COMMISSION DIFFERENCES AS TO THE ROLE OF DG VIII (DEVELOPMENT), DG I (EXTERNAL AFFAIRS) AND DG XVII (ENERGY) IN CARRYING OUT THESE PROGRAMS, BUT HE ADDED THAT IT WAS AGREED THAT DG XVII WOULD BE RESPONSIBLE FOR THE ADMINISTRATION OF THE FIRST SMALL TRANCHE OF ENERGY ASSISTANCE FUNDS THAT MIGHT BE MADE AVAILABLE. RENAUD EXPRESSED APPRECIATION FOR THE EARLIER CONSULTATIONS WITH U.S. OFFICIALS (REF B) WHICH HE SAID WERE VERY HELPFUL TO THE COMMISSION IN FORMULATING ITS PROPOSED PROGRAM. HE STRESSED THAT THE COMMISSION'S PROPOSAL ALSO NOTED THE IMPORTANCE OF INTERNATIONAL COOPERATION IN LDC ENERGY DEVELOPMENT. HINTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ENERGY, AGREEMENTS, LESS DEVELOPED COUNTRIES, COMMISSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE15019
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780316-0413
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197808104/aaaadjfy.tel
Line Count: 239
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e0220358-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 BRUSSELS 10698, 78 BRUSSELS 12392
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1552550
Secure: OPEN
Status: NATIVE
Subject: EC COMMISSION PROPOSAL FOR ENERGY COOPERATION WITH LDC'S
TAGS: ENRG, EAID, BE, EEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/e0220358-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014